

**Attachment #1 – Transition Plan**

- Please check the box next to the appropriate changes.

MD Response:

The following boxes was selected based on changes to Individual and Family Directed Goods and Services as noted below:

- Making any changes that could result in reduced services to participants

**Appendix B-4-b:**

- CMS acknowledges the state did not amendment/open appendix B of the waiver application. CMS is reviewing the waiver on the basis of eligibility and would like the state to consider making revisions now or at another time when this section of the waiver application is opened. Under the section "Other specified groups" box in Appendix B-4-b, the state lists "All other mandatory and optional eligibility groups as specified in the Maryland Medicaid State Plan that meet the waiver targeting criteria". The state should list the specific covered groups by name and citation, rather than referring back to the state plan. Please make the changes as requested or inform CMS the state intends to amend in the future.

MD Response:

As per discussed with CMS, the State noted this statement in the waiver during the renewal process as per guidance from CMS. We understand there has been a change at CMS in direction for this topic. The State has elected to make revisions to the eligibility section at a later time.

**Appendix C –  
Community Development:**

- The state has made an error with its copy and paste after (R). The language/information starting at (G) is repeated again.

MD Response:

There appears to be a system glitch within the CMS portal. In the CMS portal, the service requirements end at R. They do not repeat. However, in the printed version of the application in the portal, the service requirements do repeat, starting with G.

**Day Habilitation:**

- For CMS understanding, the state is transitioning to different ratios. What is the largest number of waiver participants to be authorized under this service for large group (Q) Is 10 the highest amount of participants served?

**MD Response:**

The largest number of participants to be supported in large group supports is 10.

**Respite:**

- The state should be able to remove old language regarding the service limit (O) since the period of time July 1, 2018-July 1, 2019 has passed.

**MD Response:**

The State agrees. The following language regarding the service limit will be removed: "Participants authorized above the renewal service limit prior to July 1, 2018 can continue to receive their previously authorized service level until their annual person-centered planning meeting. This will support additional time for person-centered service exploration, planning, and service implementation."

**Individual and Family Directed Goods and Services:**

- New services cannot have a retro effective date of July 1, 2019 per 42 CFR 441.304(d)(1). New services are a substantive change.
- All therapeutic interventions that include art, music, dance and hippo therapy (horseback riding), and therapeutic swimming will need to be removed from Individual and Family Directed Goods and Services and placed under a separate service with its own service definition and parameters. This will meet the standards outlined in service taxonomies.

**MD Response:**

As per CMS's email dated October 16, 2019 that noted therapeutic interventions services should not have been previously approved by CMS under Individual and Family Directed Goods and Services (IFDGS), the State will remove all therapeutic interventions from IFDGS.

The DDA will send out a memo and guidance to self-directing participants indicating that, effective December 1, 2019, cost savings from a self-directed budget can no longer be used to purchase or pay for *Waiver funded IFDGS therapeutic services*, including art, music, dance, hippo therapy (i.e. horseback riding), and therapeutic swimming.

The DDA will support the *use of the State General Funds* share for self-directing participants who show a budget cost savings and who wish to purchase therapeutic services. The DDA will not submit a request for the matching federal financial participation funds (FFP) used towards these therapeutic services.

In addition the following language will be edited or deleted from Appendix A:

- Edited under Purpose: *The purpose of this amendment is to: (2) To expand Individuals and Family Directed Goods and Services to ~~include therapeutic interventions to maintain or improve function including art, music, and dance therapies~~ other goods and services that meet the service requirements in Appendix C;*
- Deleted from Attachment #1: Transition Plan: *“~~Beginning July 1, 2019, participants self-directing services will be able to request the new Individuals and Family Directed Goods and Services options (i.e. therapeutic interventions to maintain or improve function including art, music, dance therapies) as per the service requirements outlined in Appendix C, regulations, and policies.~~”*
- Edited under Public Input: *Eight comments related to Individual and Family Directed Goods and Services. The DDA accepted recommendations to add language expand services, including Music Therapy. However after review by CMS, the State was advised therapeutic interventions services under IFDGS should not have been previously approved by CMS. Recommendations to fund activity fees, “noncredit” courses and those not funded through DORS were not accepted. Participants can use their personal funds or explore Participant Education, Training and Advocacy Support for such opportunities. Recommendation to offer this service under the traditional service model was not accepted. The DDA explained this service is limited to waivers that allow Budget Authority participant direction options. Recommendation that therapies should be under Category 11: Other Health and Therapeutic Services. The DDA explained medically necessary therapies recommended by clinicians are covered under Medicaid. Comment that participants should not be capped or have to find savings to access was not accepted, as services are purchased from the participant-directed budget savings.*

## **Appendix E Participant Direction of Services**

- **Appendix E-2-b-ii Participant-Directed Budget**
  - Please provide additional detail regarding when the method provides that the budget may vary based on additional factors, the factors that are used and how they affect the budget? Please update appropriately.

MD Response:

Please provide additional information as we did not include any language that the budget may vary based on additional factors.

Appendix E-2-b-ii Participant-Directed Budget currently notes:

*A participant’s self-directed budget will be determined annually through a person-centered planning process and demonstrated assessed need . The participant’s self-*

*directed budget will encompass all services in their plan PCP and will be presented as part of the person-centered planning process.*

*The DDA will use the following approach for determining a participant's self-directed budget:*

- 1. The Coordinator of Community Services (CCS) and team will assess the needs of the participant through a person-centered planning process;*
- 2. The CCS and Team will develop a Person-Centered Plan to meet those needs and service request (expressed in service units and cost reimbursement services); and*
- 3. A dollar value will be assigned to the plan PCP using payment rates from the Traditional Services delivery model. The person can then determine pay rates based on reasonable and customary program standards.*

*Information regarding the budget methodology for participant-directed budgets will be made available to the public via the federally approved waiver application, regulations, and a new self-directed services manual. The new manual is anticipated to be released in the spring summer of 2019.*

*There has been a delay in finalization of the manual. The date will be updated to reflect February 2020 or sooner.*

#### **Appendix I-2a Rate Determination Methods**

The State amended Appendix I-2a to describe its rate-setting methods for new services added to support the transition to fee-for-service. The entities contracted to develop and validate these rates did so based on standard cost components for social and medical service rates. Rate methodologies for most existing rates remained as approved in the previous amendment. The State documents a 12 percent rate increase to Respite Care Services for administrative expenses associated with daily respite provided at licensed sites, although it is unclear how the State derived and applied this rate increase.

- Please update Appendix I-2a to describe how the State or rate vendor calculated the Respite Care Services daily rate increase of 12 percent for administrative costs at licensed sites.

#### **MD Response:**

Language was updated to reflect: For WYs 2-5, the Respite daily rate is based on the hourly rate with an assumption of 16 hours of service with a 12% G&A to address increased administrative cost associated with the new billing system.

Appendix I-2a indicates that the State plans to apply this rate increase in WY 3, however Appendix J-2d indicates an increase in expected cost-per-unit for daily Respite beginning in WY 2. Please update Appendix I-2a or Appendix J-2d, as applicable, so the rate increase and cost-per-unit estimate increase occur during matching waiver years.

MD Response:

Language was updated to reflect: For WYs 2-5, the Respite daily rate is based on the hourly rate with an assumption of 16 hours of service with a 12% G&A to address increased administrative cost associated with the new billing system.

- Please add a description of the rate methodologies for self-direct Therapeutic Interventions since they will be a new separate service offered under the waiver. Therapeutic intervention therapies will need to be removed from Individual and Family Directed Goods and Services to follow the appropriate taxonomy for the service and definition.

MD Response:

As per CMS's email dated October 16, 2019 that noted therapeutic interventions services should not have been previously approved by CMS under Individual and Family Directed Goods and Services (IFDGS), the State will remove all therapeutic interventions from IFDGS. The State will not be adding a separate service.

#### **Appendix I- 3d**

- Indicates State or local government providers receive payment for waiver services. Some local health departments provide respite care services due to a lack of qualified providers in their area to meet the needs of the participants receiving these services. Please describe how the activities do not duplicate the ones reflected in the Cost Allocation Plan.

MD Response:

No federal claims are submitted for these services.

#### **Appendix I- 6**

- Indicates the state will claim FFP for the additional costs of rent and food that can be reasonably attributed to an unrelated live-in personal caregiver who resides in the same household as the waiver participant. Based on the provider specifications of Live-In Caregiver Supports, property manager and landlord chosen by the individual providing residences can be a provider. Please describe how the State can verify that the property manager and landlord chosen by the individual is not a relative.

MD Response:

As per Appendix C, the purpose of Live-in Caregiver Supports is to pay the additional cost of rent and food that can be reasonably attributed to an *unrelated live-in personal*

*caregiver* who is residing in the same household with an individual. The service requirements *defines caregiver* as someone that is *providing supports and services* in the individual's home. The caregiver is not the property manager and landlord. The Organized Health Care Delivery System provider will pay the caregivers share of the rent by paying the property manager/landlord directly.

### **Appendix J-2c Derivation of Estimates for Each Factor**

The State updated estimates for various services. For Personal Supports Enhanced Services, the State did not describe the basis for its units-per-user estimate of fifteen hours per week. For Career Exploration, the State indicates that it has changed the unit from daily to hourly beginning in WY 3, but does not describe in the application how it rebased its units-per-user or cost-per-unit estimates.

- Please update Appendix J-2c-i to describe how the State estimated units-per-user (fifteen hours per week) for Personal Supports Enhanced Supports. Further, the cost-per-unit estimate for this service nearly doubles between WYs 2 and 3; describe the reason for this increase as it does not align with the rate methodology described in Appendix I-2a.

#### **MD Response:**

Appendix J was updated with the description of Units per User for Personal Supports Enhanced Supports. The rate used for the transition group was added which may look like the service is doubled. We will indicate by noting “new” for the service associated with the new rate for the transition group.

- The unit label and units-per-user estimates for Career Exploration changes in Appendix J-2d without explanation between WYs 2. Please provide an explanation.

#### **MD Response:**

Appendix J WY2 has data for both the current daily Career Exploration and hourly Career Exploration for the pilot to begin in WY2. The units per user are based on only 7 months of service and the change from a daily to hourly service for three hours a day as an individual may receive more than one day service per day. We will indicate by noting “new” for the service associated with the new rate for the transition group.

- Please update Appendix J-2c-i to describe the increase in units- per-user and decrease in cost-per-unit associated with the change in unit labels.

#### **MD Response:**

Appendix J was updated. The cost per unit for WYs 3-5 is from the rate study which is stated in Appendix J.

- Please provide explanation and the reason of the increase in estimates for the following:
  - The users of Individual and Family Directed Goods and Services are estimated to increase by 50% in Waiver Years 2-5.
  - Respite Care Services Camp item is \$1038.00. Please explain why the average cost per item is high. What is per item?

MD Response:

Appendix J states, "Individual and Family Directed Goods and Services estimated users for Waiver Years 1-5 are based on 1.3% of self-directing participants from the FY16 Community Pathways Waiver CMS 372 with a 15% CAGR applied annually to the SDS population." So, it's based on historical increases.

Respite Care Services Camp is usually a week of services so would cost more than daily Respite.

- Although the State did not update its Factor D' and G' derivations in Appendix J-2c for this amendment, we noted that in this section the State mislabeled each factor. In the Factor D' derivation, the State documents that it applied the inflation rate to Factor G' and vice-versa in the Factor G' derivation. We recommend the State correct these references in its resubmission of this amendment.

MD Response:

Appendix J was updated.

#### **General QIS:**

- The State modified its performance measures in QIS Appendix C sub-assurances b and c to assess compliance of "certified" waiver providers with waiver standards and training; previously, the State assessed compliance of "non-licensed or non-certified" waiver providers. The State should confirm that only certified providers may furnish waiver services.

MD Response:

Both licensed and certified providers may furnish Community Pathways Waiver services. Performance measure #1 and #2 is related to licensed providers and measures #3 and #4 are related to certified providers.

- Please update Appendix J-2c-i to describe the increase in units- per-user and decrease in cost-per-unit associated with the change in unit labels.

**MD Response:**

Appendix J was updated. The cost per unit for WYs 3-5 is from the rate study which is stated in Appendix J.

**CMS Response:** We confirm that the state has updated Appendix J-2ci to describe the increase in units per user; however, the state has not updated J-2ci to explicitly describe the decrease in cost-per-unit associated with the change in unit labels and increase in units per user. Previously, the State reported a \$70-72 daily rate for all tiers of career exploration services. Now, the State estimates a variable rate ranging from \$2 -13 a hour for career exploration group and facility services. How did the State develop the new average cost per unit estimates for career exploration services?

**MD Response:**

*Appendix J states, "The new rates for the remaining rate-based services will be adopted in FY21, or Waiver Year 3 and in WY2 for the transition group services, as DDA transitions to a fee for service billing model, phases out the use of PCIS2 for claims submission and transitions to submitting claims using the LTSSMaryland financial management system." This statement applies to Career Exploration as it's a rate-based service not mentioned in the previous paragraph. The remainder of the paragraph goes on to say that for WY1-2, the average costs per unit are based from average costs from PCIS, including Career Exploration. No changes made to Appendix.*

- Please provide explanation and the reason of the increase in estimates for the following:
  - The users of Individual and Family Directed Goods and Services are estimated to increase by 50% in Waiver Years 2-5.
  - Respite Care Services Camp item is \$1038.00. Please explain why the average cost per item is high. What is per item?

**MD Response:**

Appendix J states, "Individual and Family Directed Goods and Services estimated users for Waiver Years 1-5 are based on 1.3% of self-directing participants from the FY16 Community Pathways Waiver CMS 372 with a 15% CAGR applied annually to the SDS population." The utilization estimate is based on historical increases.



Respite Care Services Camp is usually a week of services so would cost more than daily Respite.

**CMS Response:**

- Why are estimates to increase by 50% in Waiver Years 2-5 and only until WY3 for Employment Discovery & Customization?
- Please describe what the factors are to build in the 15% CAGR per year

**MD Response:**

*Appendix J for this Waiver does not say that estimates are to increase by 50% in Individual and Family Directed Goods and Services in WYs 2-5 or in Employment Discovery & Customization until WY3. Appendix J for this Waiver states: "Individual and Family Directed Goods and Services estimated users for Waiver Years 1-5 are based on 1.3% of self-directing participants from the FY16 Community Pathways Waiver CMS 372 with a 15% CAGR applied annually to the SDS population."*

*The 15% CAGR is the rate of growth of the SDS population from FY13-17, which is stated in the Appendix. This rate is used to estimate increases in users of the service in WYs 2-5. No changes made to Appendix.*